

ROSENOW SPEVACEK GROUP, INC.

September 10, 1999

Ms. Susan F. Shick, Executive Director  
LONG BEACH REDEVELOPMENT AGENCY  
333 West Ocean Boulevard, 3rd Floor  
Long Beach, California 90802

**REPORT REGARDING FACILITATION OF COMMUNICATIONS BETWEEN THE  
LONG BEACH AGENCY BOARD OF DIRECTORS AND THE PROJECT AREA  
COMMITTEES**

Dear Ms. Shick:

In February of this year, Rosenow Spevacek Group was retained to act as facilitator to improve communication between the Long Beach Redevelopment Agency (the "Agency") and its three Project Area Committees. The committees included the West Long Beach Industrial Project Area Committee ("West Long Beach PAC"), the North Long Beach Project Area Committee ("North Long Beach PAC"), and the Central Project Area Committee ("Central PAC"). The purpose of the assignment was to assist the Agency with discussions relative to whether a merger of the Agency's redevelopment project areas would be appropriate and have the support of the PACs. During the term of this assignment, the task evolved into an effort to improve overall communication and trust between the Agency and the PACs.

Since March 1, 1999, I have met with the Agency Board, individual Board members, staff, the PACs and their Board of Directors, and the Agency's Project Area Subcommittees. Initially, my meetings with the PACs were geared toward facilitating discussion on the merger concept and the Agency's intention to provide an educational forum and process to gain input in developing a proposal regarding the merger. As a result of the input gathered from all parties, I inform the Agency that the PACs were not receptive to the merger concept. I recommended that the Agency focus on improving communications between the Board and the PACs.

After the presentation of my report on May 10, 1999, the Agency requested that I assist them with an effort to improve communication and trust between the PACs, Agency Board and staff. The following summarizes my efforts, information gathered, and conclusions reached over the past six months working with the Agency, staff, and PACs.

#### PHASE I-Facilitating Communication between the PACs and the Agency

As I reported to the Agency at their meeting of May 10, 1999 (and detailed in my May 7, 1999 letter), discussions with the PACs identified significant communication problems between the PACs, the Agency, and staff. Expressions of frustration at the lack of community participation in the Agency's decisions were common among PAC members. Uncertainty regarding how the Agency and staff determined what projects to fund, and where the Agency's efforts should be focused seem to be universal. I also reported to the Agency that the PACs, collectively and individually, all expressed concern and reservation about the proposed merger. I indicated that there did not appear to be support for the merger.

Based upon my report, the Agency decided to discontinue discussion on the proposed merger and focus on improving communications and trust between the Agency Board, staff, and the PACs.

A review of the specific issues raised by the PACs prior to the Board's May 10, 1999 meeting included the following:

- Written material outlining the "pros and cons" of a proposed merger detailing the necessity of such a merger should have been provided to the PACs.
- The PACs were concerned that if the merger took place that they would be incorporated into one body rather than maintaining their individual autonomy.
- The PACs expressed both concern and desire to receive more information on how project area funds are allocated. They question how allocation of funds would change under a merger, including status of inter-project area loans.
- The members of the PAC, expressed concern that the majority of Agency funds were and would continue to be used in the Downtown Project Area.
- The majority expressed the desire that a "needs assessment" of the project areas be conducted, and that a strategic plan be developed to address and prioritize the uses of Agency financial resources.

- Several of the members expressed their opinion that there is a need for structural change to the Agency Board, either in terms of an increase in the number of members, or in the make-up of the Board.
- PAC members expressed a desire for a change in the manner in which the Board interacts with the PACs on proposals and projects.
- The PACs requested the Agency develop a methodology to evaluate the success of the projects funded by the Agency.
- All PAC members voiced the need for improved communication and participation between the Agency and the PACs. The PACs expressed the desire to be included on the front end of major issues, programs, or projects.

Specific non-merger related comments made by the PACs were presented at the Agency's May 10, 1999 meeting and included the following points.

#### **WEST LONG BEACH INDUSTRIAL PAC**

- They wanted the Agency to follow the terms of the Stipulated Agreement between the Agency and the West Long Beach Industrial PAC (the "WLBI-PAC") with regard to operation and funding of the WLBI-PAC.
- The WLBI-PAC requested the development of a "real strategic and financial plan" for each of the project areas.
- The WLBI-PAC expressed the opinion that the Agency Board needed to address and improve communication and trust between the two bodies.
- The WLBI-PAC felt that the Agency should review all Agency assisted projects to determine their cost benefit to the City as a whole.

#### **NORTH LONG BEACH PAC**

- The North Long Beach PAC ("NLB-PAC") expressed frustration that the Strategic Plan draft was completed without their discussion or input.
- Individual NLB-PAC expressed concern about the Agency subsidizing businesses in the downtown area.

### CENTRAL LONG BEACH PAC

- The Central Long Beach PAC (CLB-PAC) expressed a desire to see the Agency Board expanded to seven members with two or three members from the PACs.
- Members of the CLB-PAC expressed general concern that the Agency Board members were not attending PAC meetings.
- The CLB-PAC indicated that they did not want the Agency to pursue additional commercial projects in the Central Long Beach Project Area. They did, however, want the Agency to be aware that they supported the recent proposal to bring a market to their area.
- They feel that the Agency or staff wrongly focuses on only attracting retail or projects that will provide sales tax to the City.
- The CLB-PAC wants the Agency focus on projects that improve quality of life.
- The CLB-PAC expressed great concern that they have no input on projects that the Agency undertakes within their area. They find that often developers and projects are already selected before they are informed or asked for input.
- They are the most concerned about the issues of representation and participation.

### PHASE II-Improving Communication and Addressing Concerns

At the direction of the Agency Board, I met with the Agency-PAC Subcommittees on four separate occasions (once with the Central and North Long Beach Subcommittees and twice with the West Long Beach Subcommittee). The purpose of the meetings was to discuss specific issues raised by PAC members during our meetings and to facilitate discussions on how to improve communication and trust between all parties.

At all four meetings specific issues were raised by each of the PACs Subcommittee members, as well as general concerns related to communication. Conclusions reached during these session were as follows:

- There was acknowledgement that the Agency Board members had committed to and had already instituted, a policy that provided that at least one Agency member would attend each PAC meeting.

- Regarding the issue of how often the Agency-PAC Subcommittees should meet, it was determined that no regular schedule would be established. It was agreed that it was a more efficient use of everyone's time to set meetings when sufficient business items or issues needed to be taken up by the Subcommittees. It was agreed that staff would contact Subcommittee members to determine availability and set meeting date and times accordingly.
- It was agreed that an agenda would be sent out at least one week prior to the meeting and that prior to this, a preliminary agenda would be circulated to gain input from the Subcommittee members.
- To ensure communications, the staff Project Manager was designated as the individual the PAC members should contact with regard to all communication issues. Further, all phone contact should be followed up with written correspondence. The Project Manager would also be responsible for ensuring that those items desired by the PAC members of the Subcommittee were placed on the Subcommittee agenda.
- It was decided that all PAC Chairpersons or their representatives should be encouraged to attend all Agency meetings and that there should be a presentation of a monthly report of the PACs to the Agency Board by the Chairs.
- PAC Subcommittee members expressed their members' desire for better understanding of the structure of the Community Development Department and how the Agency's activities are handled within that Department's structure. There was consensus on the part of the Subcommittees that there is a need to have an ongoing periodic educational program to provide the PAC membership with an overview of the PACs' role in the redevelopment process, as well as their duties and responsibilities. It may be appropriate to hold these educational meetings on an annual basis with all PAC members in attendance.
- The Subcommittees discussed the need to educate the PACs as to the timeline of actions required for a project to be developed, reviewed, and approved by the Agency. PAC Subcommittee members indicated that often it was felt that the set procedure was not being followed. It was decided that a flow chart dealing with the process should be available for reference. Further, it was agreed that in the future if projects deviated from the set procedure, it would be important to inform the PACs up front, giving reasons for the change.

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It is my impression that these meetings have improved communication on all levels. Mutual agreement appeared to be reached that all parties want better communications and a greater level of trust. With the increase in Agency Board members, it will be important to follow up on all the agreed points, as well as initiating the educational process discussed above. I am hopeful that the process of developing open lines of communication will continue as a high priority to all involved.

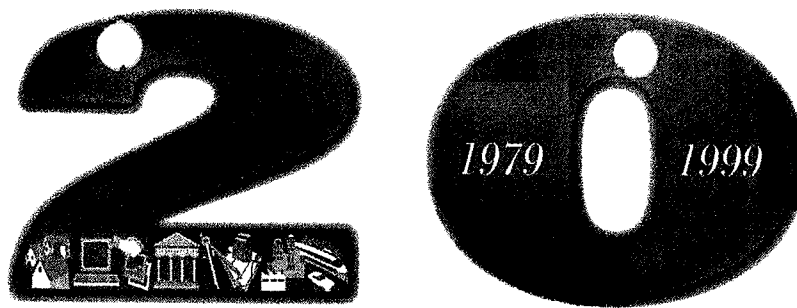
I wish to thank the Agency, Project Area Committees and staff for their assistance and candor during this process. If any of the parties have any questions or the Agency requires further assistance, please feel free to call me at any time.

Sincerely,  
ROSENOW SPEVACEK GROUP, INC.

A handwritten signature in cursive script, appearing to read "Felise Acosta", with a long horizontal flourish extending to the right.

Felise Acosta  
Principal

FA:lmi



ROSENOW SPEVACEK GROUP, INC.

May 7, 1999

Via Overnight Mail

Ms. Susan F. Shick, Executive Director  
LONG BEACH REDEVELOPMENT AGENCY  
333 West Ocean Boulevard, 3rd Floor  
Long Beach, California 90802

**RESULTS OF THE PROJECT AREA COMMITTEE MEETINGS REGARDING  
MERGER OF THE PROJECT AREAS**

Dear Ms. Shick:

Over the past two months, I have met with the West Long Beach Industrial Project Area Committee ("West Long Beach PAC"), the North Long Beach Project Area Committee ("North Long Beach PAC"), and the Central Project Area Committee ("Central PAC"). Additionally, I am scheduled to meet with the full Central PAC on May 6, 1999.

At the Long Beach Redevelopment Agency's ("Agency") direction, I have attempted to assess the attitudes of the various PACs and their receptiveness to the merger concept. Additionally, I have attempted to explain the Agency's intention to provide an educational forum and process to gain input in developing a proposal regarding the merger.

The results of my meetings with all three PACs and their Boards are all very similar and mirror the comments voiced at the Agency Study Session of March 3, 1999. In general, there is a great deal of suspicion and mistrust of both the Agency and staff. Many members expressed feelings of frustration at the lack of community participation in the Agency's decisions regarding what projects to fund, and where the Agency's efforts should be focused.

The PACs, collectively and individually, all expressed concern and reservation about the proposed merger. There does not appear to be any enthusiastic support for the idea. However, many have said that they do have an open mind about the merger. Any decision to support the merger appears to depend on the actual benefits and drawbacks of the merger, as they relate to both the individual project areas and the community at large.

At all of the meetings I attended, one or more individuals brought up the need for concrete solutions to issues raised at the March 3rd Study Session. These individuals also firmly expressed that the solutions need to be in a form as to guarantee that they would be adhered to (i.e., written in the Merger Plan).

The following is my recollection of issues discussed at all three meetings. While other concerns or issues may have been voiced, I have tried to focus on the most pertinent of the issues discussed and the merger question.

- The need for written material outlining the "pros and cons" of the proposed merger and detailed reasons for why the merger is necessary.
- Would the PACs remain separate or forced to be merged into one body?
- If the merger was approved, how would the PACs function and would membership be changed in anyway?
- How would the merged project areas' funds be allocated?
- What would happen to the existing loans between the project areas?
- There is a fear that all the money would be used in the Downtown Project Area.
- The majority expressed the desire that a "needs assessment" of the project areas be conducted, and that a strategic plan be developed to address and prioritize the uses of financial resources to address these needs.
- The PACs want to be involved up front in determining project area needs and developing the strategic plan.
- Several of the members expressed their opinion that there is a need for structural change to the Agency Board, either in terms of increase in the number of members, or in the make-up of the Board.



- The need for change in the manner in which the Board interacts with the PACs on proposals and projects.
- Some type of instrument of accountability needs to be adopted by the Agency to evaluate the success of its projects.
- The need for better participation between the Agency and the PACs. All stated that the PACs need to be included on the front end of major issues, programs, or projects.
- There is a desire to have a cost benefit analysis conducted of past projects funded by the Agency and City.

Specific to the individual PACs, the following comments and concerns were raised.

#### WEST LONG BEACH INDUSTRIAL PAC

- They want a return to their Stipulated Agreement.
- Development of a "real strategic and financial plan."
- Concerning the merger, the PAC wants specific guarantees that would be followed.
- They want the Agency sponsored projects to be accountable on a citywide basis.
- Concerning the format of the merger education process, they will only support a Task Force if the Task Force would be allowed to vote on the issue. If a Study Session format is used, they want assurances that there will be ample opportunity to ask questions.

#### NORTH LONG BEACH PAC

- With regard to the Strategic Plan, they expressed frustration that it appeared (from correspondence) that a draft was complete without any discussion or input from the PAC. Members of the North Long Beach PAC and other PACs have been meeting with the City's Auditor to review Agency expenditures over the last few years. There seems to be a concern about the Agency subsidizing businesses in the downtown area.

### CENTRAL LONG BEACH PAC

- Any merger should result in a plan that deals with quality of life issue; such as open space, schools, housing, and public improvements.
- The PAC expressed a desire to see the Agency Board expanded to seven members with two or three members from the PACs.
- They do not want any more commercial projects, with the exception of wanting a market for their area. They also feel that the Agency wrongly focuses on retail or projects that will provide sales tax to the City.
- They want to see the Agency focus on projects that improve the quality of life.
- They feel they have no input on projects in their area. They find that often developers and projects are already selected before they are informed or asked for input.
- They want to know about the other projects and programs the Department is funding with non-tax increment funds.
- They are the most concerned about the issues of representation and participation.
- They questioned what number of Agency staff members were actually stakeholders in the project areas; the number that live in Long Beach, and the project areas.

### OVERALL

In summary, the majority of individuals who asked questions or expressed their opinions voiced their general frustration at what they felt was a lack of the representation and participation. They feel that the PACs and the community at large have not been allowed to voice their opinions regarding the implementation and revitalization efforts of the Agency. Again, they ask for written information on both the pros and cons of the merger. They want detailed financial information about how the funds from the project areas would be allocated to the individual project areas and specific redevelopment projects. In response to

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these requests, I pointed out that this information would be made available at the planned Merger Study Sessions/Task Force meetings, where the Agency's panel of experts would present this information.

It appears that if the Agency wishes to generate support for the merger proposal, a great deal of education and communication between the Agency and the PACs needs to take place. I do not believe that this can be done in one or two meetings. Rather, it seems likely that a six-month process of meetings and meaningful interaction between the Agency and the PACs would be required. Additionally, I believe that a concrete proposal needs to be drafted by staff, relative to the merger issues. Once this proposal is drafted, it should be presented to the PACs for their input. Lastly, the desire to improve the participation process and communication between the PACs and the Agency is so universal that it should be addressed whether or not the merger goes forward. Hopefully, old wounds and mistrust can be put aside while new participation methods are discussed and tested.

I hope that the discussions with the stakeholders and my observations are helpful to the Agency in their consideration of the merger question. I am prepared to assist the Agency in facilitating the merger education process, if they desire. I am also prepared to assist the Agency, in anyway, they believe is appropriate to address the PACs concerns regarding improving representation and participation.

Sincerely,  
ROSENOW SPEVACEK GROUP, INC.



Felise Acosta  
Principal

FA:Imi

**DRAFT**

**Rosenow Spevacek Group Inc.**

540 N. Golden Circle Suite 305

Santa Ana, Ca. 92705

Phone: 714/541-4585 Fax: 714/836-1748

# Memo

To: Susan F. Shick, Executive Director  
Long Beach Redevelopment Agency

From: Felise Acosta, RSG Inc.

CC: Barbara Kaiser  
Larry Montgomery

Date: 04/29/99

Re: **RESULTS OF MEETINGS WITH PROJECT AREA COMMITTEES**

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As you are aware, over the past two months I have met with Agency Board members, the West Long Beach Industrial PAC, the North Long Beach Project PAC and the Board for the Central Project PAC. Additionally, I am scheduled to meet with the full Central PAC on May 6, 1999.

The results of my meetings with the Project Area Committees are all very similar and mirror the comments voiced at the Agency Study Session of March 3, 1999. In general, there is a great deal of supsision and mistrust of both the Agency and staff. Many members expressed feelings of frustration at the lack of community participation in the Agency's decisions regarding what projects to fund and where the Agency's efforts should be focused.

The Project Area Committees collectively and individually, all expressed concern and reservation about the proposed of the merger. There does not appear to be any enthusiastic support for the idea, however many have said that they do have an open mind on the question. Specific to their decision to support the merger, is the question of what are the actual benefits and drawbacks of the merger to both their individual project areas and the community at large.

At all of the meetings I attended, one or more individuals brought up the need for concrete solutions to issues raised at the March 3<sup>rd</sup> Study Session. They also firmly

expressed their view that the solutions needed to be in form as to guarantee that they would be adhere to, i.e. written in the Merger Plan.

The issues discussed at all three meetings included:

- Would the PACs remain separate or would they be forced to be merged into one body?
- If the merger were approved, how would the PACs function?
- How would the merged project area funds be allocated?
- A fear that all the money would be used in the Downtown Project Area.
- All expressed the desire that a "needs assessment" of the project areas be conducted and that a strategic plan be developed to address and prioritize the uses of financial resources to address these needs.
- The PACs want to be involved up front in determining project area needs and developing the strategic plan.
- Several of the members expressed their opinion that there is a need for structural change to the Agency Board, either in terms of increase in the number of members and in the make-up of the Board.
- The need for change in the manner in which the Board interacts with the PACs on proposals and projects.
- Some type of instrument of accountability needs to be adopted by the Agency to evaluate the success of its projects.
- The need for the better participation between the Agency and the PACs. All stated that the PACs need to be included on the front end of major issues, programs or projects.
- The desire to have a cost benefit analysis conducted of past projects funded by the Agency and City.
- The need for written material outlining the "pros and cons" of the proposed merger.

Specific to the individual PACs the following comments and concerns were raised.

#### **West Long Beach Industrial PAC**

- They want a return to their Stipulated Agreement.
- Development of a "real strategic and financial plan.

- Concerning the merger, the PAC wants specific guarantees that would be followed.
- They want the Agency sponsored projects to be accountable on a citywide basis.
- Concerning the format of the merger education process, they will only support a Task Force if the Task Force would be allowed to vote on the issue. If a Study Session format is used, they want assurances that there will be ample opportunity to ask questions.

#### **North Long Beach PAC**

- With regard to the Strategic Plan, they expressed frustration that it appeared (from correspondence) that a draft was complete without any discussion or input from the PAC.
- Members of the North Long Beach PAC and other PACs have been meeting with the City's Auditor to review Agency expenditures over the last few years. There seems to be a collect concern about the Agency subsidizing businesses in the downtown.

#### **The Central Long Beach PAC Board expressed the following concerns:**

- Any merger should result in a plan that deals with quality of life issues, such as open space, schools, housing, and public improvements.
- Expressed a desire to see the Agency Board expanded to seven members with two or three members from the PACs.
- They do not want any more commercial projects, with the exception of wanting a market for their area. They also feel that the Agency wrongly focuses on retail or projects that will provide sales tax to the City.
- They want to see the Agency focus on projects that improve the quality of life.
- They feel they have no input on projects in their area. They find that often developers and project are already selected before they are informed or asked for input
- They want to know about the other projects and programs the Department is funding with non-tax increment funds.

In summary, the majority of individuals that asked questions or I spoke to expressed general frustration at what they felt was a lack of the PACs' and the community's participation in the implementation and revitalization efforts of the Agency. Again, they ask for written information on both the pros and cons of the merger. They want detailed financial information about how the funds from the project areas would be

allocated to the individual project areas and specific redevelopment projects. In response to these requests, I pointed out that this information would be made available at the planned Merger Study Sessions/Task Force meetings where the Agency's panel of experts would present this information.

It appears that a great deal of education needs to take place with the PACs to generate support for the merger proposal. I do not believe that this can be done in one or two meetings. Additionally, I believe that a concrete proposal needs to be drafted by staff relative to the merger issues. Once this proposal is drafted, it should be presented to the PACs for their input. Lastly, the desire to open the participation process is so universal that it should be addressed whether or not the merger goes forward.